



An Information Service of the Division of Medical Assistance

**North Carolina
Medicaid Pharmacy
Newsletter**

Number 225

December 2013

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Attention: Pharmacy Providers Pharmacy Reimbursement Changes

Session Law 2013-363, SECTION 4.13 mandates the following changes to drug reimbursement effective January 1, 2014:

- (1) The reimbursement for the Enhanced Specialty Discount Drug list will change from Wholesale Acquisition Cost (WAC) + 2.2% to WAC + 1%.
- (2) The State's Estimated Acquisition Cost for non-specialty drugs will change from WAC + 6% to WAC + 2.7%.
- (3) The percentage mark up for the State Maximum Allowable Cost (SMAC) program will change from 192.5% to 150% of the lowest cost generic drug.
- (4) The rate for dispensing brand drugs will change from \$3.00 to \$2.00.
- (5) The rates for dispensing generic drugs will change to the following tiers:

Percentage Tier Rate	Generic Dispensing Fee
Greater than or equal to 80%	\$7.75
Greater than or equal to 75% and less than 80%	\$5.50
Greater than or equal to 70% and less than 75%	\$2.00
Less than 70%	\$1.00

3% Rate Reduction

A Shared Savings Plan was enacted by North Carolina Session Law 2013-360, Sections 12H.18 (b). Effective January 1, 2014, reimbursement rates for the following services rendered to Medicaid and NC Health Choice recipients will be reduced by 3%:

- Inpatient hospital.
- Physician, (excluding primary care providers who have attested for the enhanced reimbursement until January 1, 2015.)
- Dental.
- Optical services and supplies.
- Podiatry.
- Chiropractors.
- Hearing aids.
- Personal care services.
- Nursing homes.
- Adult care homes.
- Dispensing drugs.

Please note that the 3% reduction for pharmacies will apply only to dispensing fees. The 3% reduction to dispensing fees is in addition to the drug reimbursement changes required by North Carolina Session Law 2013-363, Section 4.13 which are also effective January 1, 2014.

DMA is consulting with providers to develop a shared savings plan to implement by July 1, 2014, with provider payments beginning January 1, 2015. The shared savings plan shall provide incentives to provide effective and efficient care that result in positive outcomes for Medicaid and NC Health Choice recipients.

DMA will host a series of webinars in January to provide stakeholders with an overview of the Shared Savings Plan and solicit ideas on the shared savings methodology. More information regarding the Shared Savings Plan, including upcoming webinar dates, is available at <http://www.ncdhhs.gov/dma/plan/index.htm>.

Questions, comments and/or recommendations regarding the Shared Savings plan can be sent to DMA.NCSharedSavings@lists.ncmail.net.

Permits and Onsite Visits

Pharmacy and DME providers that have permits terminating on December 31, 2013 will not be terminated from the NC Medicaid program without approval from DMA. However, DMA encourages providers to submit their Managed Change Requests and renewed required credentials. This message will also be reinforced to CSC call center staff.

In addition, we are finding that pharmacies are failing their federally required onsite visits. We strongly encourage providers to complete the online training before their onsite visit as well as review the Medicaid Participation Agreement and the Provider Policies, Manuals and Guidelines on the NCTracks Website at: <https://www.nctracks.nc.gov/content/public/providers/provider-manuals.html>.

Procedures for Prior Authorization of Synagis for Respiratory Syncytial Virus (RSV) Season 2013/2014

The clinical criteria utilized by N.C. Medicaid (Medicaid) for the 2013/2014 Respiratory Syncytial Virus (RSV) season are consistent with published guidelines in the *Red Book: 2012 Report of the Committee on Infectious Diseases, 29th Edition*. **Prior authorization (PA) is required** for Medicaid coverage of Synagis during the upcoming RSV season. The coverage season is November 1, 2013, through March 31, 2014. Early and Periodic Screening, Diagnosis and Treatment (EPSDT) criteria are considered for Synagis requests.

Submit all PA requests for coverage of Synagis for the upcoming season electronically at www.documentforsafety.org. The online Synagis Program began accepting requests on October 15, 2013. This web based tool is designed to capture all information for a PA request. When the system offers an opportunity to upload supporting documents, the most recent progress note documenting the patient's pulmonary or cardiac status is required when a specialist is involved in the care. The electronic system can automatically approve a request based on the criteria submitted and allows a provider to self-monitor the status of a request pending medical review.

- For approved requests, each Synagis dose will be individually authorized to promote efficient product distribution.
- After the initial approval, providers must submit a **“next dose request”** to obtain an authorization for each subsequent dose up to the approved number of doses.
- If an infant received one or more Synagis doses prior to hospital discharge, the provider should indicate as part of the request the most recent date a dose was administered and the number of doses administered by the provider should be adjusted accordingly.
- Providers should ensure the previously obtained supply of Synagis is administered before submitting a next dose request.

It is important for a Synagis distributor to have the appropriate single dose authorization on hand and a paid claim prior to shipping Synagis. An individual dose authorization is required for each paid Synagis claim. The claim should not exceed the quantity indicated on the authorization. A Synagis claim will deny if a dose request was not done by the provider.

Maximum of Five Doses

Up to five doses during the season can be authorized for chronic lung disease (CLD) and hemodynamically significant congenital heart disease (HSCHD) for infants and children less than 24 months of age.

Chronic Lung Disease (CLD)

The diagnosis causing the long-term respiratory problems must be specific. Treatment, such as supplemental oxygen, bronchodilator, diuretic or chronic corticosteroid therapy, in the six months before the start of the season is required.

Hemodynamically Significant Congenital Heart Disease (HSCHD)

Infants not at increased risk from RSV who generally should **not** receive immunoprophylaxis include those with hemodynamically insignificant heart disease, such as secundum atrial septal defect, small ventricular septal defect (VSD), pulmonic stenosis, uncomplicated aortic stenosis, mild coarctation of the aorta, patent ductus arteriosus (PDA), lesions adequately corrected by surgery unless the infant continues on medication for congestive heart failure (CHF) or mild cardiomyopathy not requiring medication.

Congenital Abnormalities of the Airway or Neuromuscular Disease

Infants born on or after November 2, 2012, with compromised handling of respiratory secretions secondary to congenital abnormalities of the airway or neuromuscular disease may be eligible for prophylaxis during the first year of life. The diagnosis to justify severe neuromuscular disease or congenital airway abnormalities must be specific.

Prematurity

In addition to the conditions listed above, a premature infant (prematurity must be counted to the exact day) may qualify for five doses as follows:

- Born at an Estimated Gestational Age (EGA) of ≤ 28 weeks 6 days and Date Of Birth (DOB) is on or after November 2, 2012.
- Born at an EGA of 29 weeks 0 days to 31 weeks 6 days and DOB is on or after May 2, 2013.

Five Dose Exceptions

Coverage of Synagis for CLD and HSCHD will terminate when the recipient exceeds 24 months of age AND has received a minimum of three doses during the season. Coverage of Synagis for congenital abnormalities of the airways and severe neuromuscular disease that compromises handling of respiratory secretions will terminate when the recipient exceeds 12 months of age AND has received a minimum of three doses during the season.

Maximum of Three Doses; Last Dose Administered at Three Months of Age (90 Days of Life)

Infants meeting clinical criteria as follows may be approved for up to three doses of Synagis during the season:

- Born at an EGA of 32 weeks 0 days to 34 weeks 6 days, and DOB is on or after August 2, 2013, and has at least one of the two following defined risk factors:
 - ◆ Attends child care [defined as a home or facility where care is provided for any number of infants or young toddlers (toddler age is up to the third birthday)]. The name of the day care facility must be submitted with the request.
 - ◆ Has a sibling younger than five years of age living permanently in the same household. Multiple births do not qualify as fulfilling this risk factor.

Generally, the following diagnoses do not singularly justify medical necessity for Synagis prophylaxis:

- a positive RSV episode during the current season
- repeated pneumonia
- sickle cell
- multiple birth with approved sibling
- apnea or respiratory failure of newborn

Submitting a Request to Exceed Policy

For doses exceeding policy or for Synagis administration outside the defined coverage period, the provider should use the **Non-Covered State Medicaid Plan Services Request Form for Recipients under 21 Years of Age** to request Synagis. The form is available on DMA's website at <http://www.ncdhhs.gov/dma/epsdt/>. A medical necessity review will be done under EPSDT (see <http://www.ncdhhs.gov/dma/epsdt/index.htm>). If the information provided justifies medical need, the request will be approved.

Pharmacy Distributor Information

Synagis claims processing began on October 29, 2013 to allow sufficient time for pharmacies to provide Synagis by November 1, 2013. Payment of Synagis claims with date of service prior to October 29, 2013 and after March 31, 2014 will not be allowed. Point of sale claims should not be submitted by the pharmacy distributor prior to the first billable date of service for the season. Pharmacy providers should always indicate an accurate day's supply when submitting claims to Medicaid.

Claims for Synagis doses that include multiple vial strengths must be submitted as a single compound drug claim. Synagis doses that require multiple vial strengths that are submitted as individual claims will be subject to recoupment by DMA Program Integrity. Physicians and pharmacy providers are subject to audits of recipient records by DMA Program Integrity.

Providers will fax each single dose authorization to the pharmacy distributor of choice. Single dose vial specific authorizations, up to the maximum number of doses approved for the recipient, will be issued by Medicaid. Ensure the appropriate authorization is received before submitting a claim to Medicaid. The authorizations should be maintained in accordance with required record keeping time frames.

Provider Information

Providers without internet access should contact the Medicaid Outpatient Pharmacy Program at 919-855-4300 to facilitate submission of a PA request for Synagis. More information about the Synagis program is available at: www.documentforsafety.org.

Technical Support

Technical support is available from 8 a.m. to 5 p.m. by calling 1-855-272-6576 (local: 919-657-8843). Technical support can assist with provider registration, user name and password issues, recipient searches and other registry functions.

Synagis Authorizations and Coverage Quantity

Medicaid grants single dose authorizations for Synagis. The medical provider will submit a single dose authorization for an approved recipient to the pharmacy distributor of choice. Claims for Synagis should be submitted to Medicaid only when an authorization has been received by the pharmacy. The medical provider will generate an authorization to send to the pharmacy for the next dose only after the supply on hand is administered. The pharmacy should keep each authorization on file and retrievable for audit purposes.

The quantity of drug Medicaid will cover is indicated on each single dose authorization. A pharmacy should not submit a claim for Synagis that exceeds the authorized quantity. The pharmacy should contact the medical provider immediately when wanting to dispense a quantity that exceeds the authorized amount. Medicaid will accept a request to increase the coverage quantity from the prescribing provider only. Providers should call 919-855-4306 to request the dose adjustment.

The single dose authorizations have effective time periods. Pharmacies should take note of these start and end dates. The drug must be dispensed within the indicated time period for the claim to be paid.

72-Hour Emergency Supply Available for Pharmacy PA Drugs

Pharmacy providers are encouraged to use the 72-hour emergency supply allowed for drugs requiring prior authorization. ***Federal law requires that this emergency supply be available to Medicaid recipients for drugs requiring prior authorization.*** [Social Security Act, Section 1927, 42 U.S.C. 1396r-8(d)(5)(B)]. Use of this emergency supply will ensure access of medically necessary medications.

The system will bypass the prior authorization requirement if an emergency supply is indicated. A "3" in the Level of Service field (418-DI) should be used to indicate that the transaction is an emergency fill. ***Please Note: Co-payments will apply and only the drug cost will be reimbursed. There is no limit to the number of times the emergency supply can be used.***

Updated Federal Upper Limit Reimbursement List

There are certain drugs that have been identified for which the Federal Upper Limit (FUL) reimbursement rate does not cover the cost of the drug. Medicaid pharmacy programs are required to reference this reimbursement information when pricing drug claims. In order to receive adequate reimbursement, pharmacy providers may use the DAW1 override to override the FUL reimbursement rate for the drugs listed on the FUL list until the FUL rate has been adjusted to adequately cover the cost of the drug.

As indicated in previous communications, use of the *DAWI* override code is being monitored. A claim submitted for more than the State Maximum Allowable Cost (SMAC) rate on file may lead to an identifiable overpayment. Any difference between the SMAC rate on file for the date of service and the actual rate applied to the claim (*if higher*) may be considered an overpayment and subject to recoupment.

NDC	DRUG NAME
00054003721	CLARITHROMYCIN 500 MG TABLET
00054302802	ACETYLCYSTEINE 20% VIAL
00093026330	FLUOCINONE 0.05 % CREAM
00093026392	FLUOCINONE 0.05 % CREAM
00093075701	PIROXICAM 20 MG CAPSULE
00093075705	PIROXICAM 20 MG CAPSULE
00093092401	OXAPROZIN 600MG TABLET
00143211205	DOXYCYCLINE HYCLATE 100 MG TABS
00143314150	DOXYCYCLINE HYCLATE 50 MG CAPS
00143314205	DOXYCYCLINE HYCLATE 100 MG CAPS
00143314250	DOXYCYCLINE HYCLATE 100 MG CAPS
00143980305	DOXYCYCLINE HYCLATE 100 MG CAPS
00168000215	TRIAMCINOLONE 0.5% CREAM
00168000315	TRIAMCINOLONE 0.025% CREAM
00168000380	TRIAMCINOLONE 0.025% CREAM
00168000415	TRIAMCINOLONE 0.1% CREAM
00168000416	TRIAMCINOLONE 0.1% CREAM
00168000480	TRIAMCINOLONE 0.1% CREAM
00168000615	TRIAMCINOLONE 0.1% OINTMENT
00168000616	TRIAMCINOLONE 0.1% OINTMENT
00168000680	TRIAMCINOLONE 0.1% OINTMENT
00168004046	BETAMETHASONE VA 0.1% CREAM
00168005515	BETAMETHASONE DP 0.05% CREAM
00168005546	BETAMETHASONE DP 0.05% CREAM
00168008160	NYST TRIAMC 100,000 CREAM
00168013460	FLUOCINONIDE 0.05% SOLUTION
00168020230	CLINDAMYCIN PH 1% GEL
00168020260	CLINDAMYCIN PH 1% GEL
00168025815	CLOTRIMAZOLE-BETAMETHASONE CREAM
00168025846	CLOTRIMAZOLE-BETAMETHASONE CREAM
00168031002	DESONIDE 0.05% LOTION
00168031004	DESONIDE 0.05% LOTION
00168037030	CLOTRIMAZOLE-BETAMETHASONE 1 % LOTION

00168038360	METRONIDAZOLE 0.75% LOTION
00185072401	CARISOPRODOL COMPOUND TAB
00185072405	CARISOPRODOL COMPOUND TAB
00228206710	OXAZEPAM 10 MG CAPSULE
00228206910	OXAZEPAM 15 MG CAPSULE
00378135501	TRIAMTERENE-HCTZ 75-50
00378135505	TRIAMTERENE-HCTZ 75-50
00378302501	CLOMIP HCL 25MG CAPSEL
00378425001	DOXEPIN 50 MG CAPSULE
00378537501	DOXEPIN 75 MG CAPSULE
00378641001	DOXEPIN HCL 100 MG CAPSEL
00378641010	DOXEPIN HCL 100 MG CAPSEL
00406114201	METHYLPHNHCL 5 MG TABLET
00406114210	METHYLPHNHCL 5 MG TABLET
00406114401	METHYLPHNHCL10 MG TABLET
00406114410	METHYLPHNHCL10 MG TABLET
00406114601	METHYLPHNHCL20 MG TABLET
00406895901	DEXTROAMPHETAMINE 10 MG TAB
00472016315	NYSTAIN 100,000 UNIT/GM CREAM
00472016330	NYSTAIN 100,000 UNIT/GM CREAM
00472016615	NYSTAIN 100,000 UNIT 15GMS
00472016630	NYSTAIN 100,000 UNITS 30GMS
00472037915	CLOTRIMAZOLE-BETAMETHASONE CRM
00472037945	CLOTRIMAZOLE-BETAMETHASONE CRM
00472080302	DESONIDE LOTION 0.05%
00472080304	DESONIDE 0.05% LOTION
00527142635	OXYCODONE CONC 20 MG/ML SOLN
00527142636	OXYCODONE CONC 20 MG/ML SOLN
00555095302	DEXTROAMPHETAMINE 10 MG TAB
00574723412	PHENADOZ 25 MG SUPPOSITORY
00574723612	PHENADOZ 12.5MG SUPPOSITORY
00591060701	LABETALOL 300 MGTABWATS
00591081046	SILVER SULFADIAZINE 1 % CREAM
00591081055	SILVER SULFADIAZINE 1% CREAM
00591081085	SILVER SULFADIAZINE 1% CREAM
00591216139	PHENADOZ 25MG SUP
00591544050	DOXYCYCLINE HYCLATE 100 MG CAPS
00591555305	DOXYCYCLINE HYCLATE 100 MG TABS

00591578701	NORTRIPTYLINE 25MG CAP
00591578705	NORTRIPTYLINE HCL 25 MG CAP
00591578710	NORTRIPTYLINE HCL 25 MG CAP
00591588301	METHYLPREDNISOLONE 10 MG TABLET
00591588401	METHYLPREDNISOLONE 20 MG TABLET
00603459315	METHYLPREDNISOLONE 4MG D/P
00603459321	METHYLPREDNISOLONE 4 MG TABLET
00603781874	NYSTATIN 100,000
00603781878	NYSTATIN 100,000 UNIT/GM CREAM
00713053612	PROMETHEGAN 12.5 MG SUPPOS
00713063986	HALOBETASOL PROP 0.05% OINTMENT
00781100801	TRIAMTERENE-HCTZ 75-50
00781100805	TRIAMTERENE-HCTZ 75-50
00781107101	METHAZOLAMIDE 50 MG TABLET
00781118101	NADOLOL 20 MG CAPS
00781118201	NADOLOL 40 MG TABS
00781169501	ISOSORBIDE DN 20 MG TABLET
00781169510	ISOSORBIDE DN 20 MG TABLET
00781196160	CLARITHROMYCIN 250 MG TABLET
00781196260	CLARITHROMYCIN 500 MG TABLET
00781574801	METHYLPHN HCL 5 MG TABLET
00781574901	METHYLPHN HCL 10 MG TABLET
00781575301	METHYLPHN HCL 20 MG TABLET
24208067004	SULFACETAMIDE 10% EYE DROPS
29033001301	PIROXICAM 20 MG CAPSULE
29033001305	PIROXICAM 20 MG CAPSULE
43598021040	SSD 1% CREAM
43598021050	SSD 1% CREAM
45802002146	BETAMETHASONE DP 0.05% LOT
45802004811	NYSTATIN
45802004835	NYSTATIN OINTMENT
45802006405	TRIAMCINOLONE 0.1% CREAM
45802006435	TRIAMCINOLONE 0.1% CREAM
45802006436	TRIAMCINOLONE 0.1% CREAM
45802006535	TRIAMCINOLONE 0.5% CREAM
45802042235	DESONIDE 0.05% CREAM
45802042237	DESONIDE 0.05% CREAM
48102010101	METHAZOLAMIDE 50 MG TABLET

50111033301	METRONIDAZOLE 250 MG TABLET
50111033401	METRONIDAZOLE 500 MG TABLET
50111033402	METRONIDAZOLE 500 MG TABLET
50383026760	CLOBETASOL 0.05% CREAM
51672125301	FLUOCINONIDE 0.05% CREAM
51672125302	FLUOCINONIDE 0.05% CREAM
51672125303	FLUOCINONIDE 0.05% CREAM
51672125304	FLUOCINONIDE 0.05% CREAM
51672125903	CLOBETASOL 0.05% OINTMENT
51672126301	NYSTATIN-TRIAMCINOLONE CREAM
51672126302	NYSTATIN-TRIAMCINOLONE CREAM
51672126303	NYSTATIN-TRIAMCINOLONE CREAM
51672127201	NYSTATIN-TRIAMCINOLONE OINT
51672127202	NYSTATIN-TRIAMCINOLONE OINTM
51672127203	NYSTATIN-TRIAMCINOLONE OINTM
51672127304	FLUOCINONIDE 0.05% SOLUTION
51672128003	DESONIDE 0.05% CREAM
51672128103	DESONIDE 0.05% OINTM
51672128202	TRIAMCINOLONE 0.1% CREAM
51672128901	NYSTATIN 100,000 UNIT/GM CREAM
51672128902	NYSTATIN 100,000 UNIT/GM CREAM
51672129201	HYDROCORTISONE VAL 0.2% OINT
51672129203	HYDROCORTISONE VAL 0.2% OINT
51672129206	HYDROCORTISONE VAL 0.2% OINT
51672401105	CLOMIP HCL 25MG CAP
51672401205	CLOMIPR HCL 50 MG CAPTARO
51672401206	CLOMIP HCL 50MG CAP
51672404709	CARBAMAZEPINE 100 MG/5 ML SU
51672404801	CLOTRIMAZOLE-BETAMETHASONE CREAM
51672404806	CLOTRIMAZOLE-BETAMETHASONE CREAM
51672411606	METRONIDAZOLE TOPICAL 0.75% GEL
53489011902	DOXYCYCLINE HYCLATE 100MG CAP
53489011905	DOXYCYCLINE HYCLATE 100 MG CAP
53489012002	DOXYCYCLINE HYCLATE 100 MG TABLET
53489012005	DOXYCYCLINE HYCLATE 100 MG TABLET
53489017701	ALBUUTER SULF 4MG TAB
57664022888	METHYLPHNHCL5 MG TAB
57664022988	METHYLPHNHCL10 MG TAB

57664023088	METHYLPHNHCL20 MG TAB
59746000103	METHYLPREDNISOLONE 4 MG DOSE
59762372802	CLINDAMYCIN PH 1% SOLUTION
59762374301	CLINDAMY PHO1 % GELGRN1
59762374302	CLINDAMY PHO 1 % GEL
59762374401	CLINDAMYCIN LOTION
61314063136	NEOMYC-POLYM-DEXAMET EYE OINTMENT
61314064305	TOBRAMYCIN 0.3% EYE DROPS
61314064610	NEOMYCIN-POLYMYXIN-HC EAR SOL
61314070101	SULFACETAMIDE 10% EYE DROPS
64679094901	CLARITHROMYCIN 500 MG TABLET
66689002530	OXYCODON HCL 20MG/ML CONC.
67253032010	MTREX SODIUM 2.5 MG TAB
67405011045	METRONIDAZOLE 0.75% CREAM
68382076214	CLARITHROMYCIN 500 MG TABLET
68462034737	OXYCODONE CONC 20 MG/ML SOLN

Checkwrite Schedule

December 10, 2013
December 17, 2013
December 31, 2013

Electronic Cut-Off Schedule

December 6, 2013
December 13, 2013
December 27, 2013

POS Claims must be transmitted and completed by 11:59 p.m. on the day of the electronic cut-off date to be included in the next checkwrite.

Lisa Weeks, PharmD, R.Ph.

Acting Assistant Director, Pharmacy and Ancillary Services
Division of Medical Assistance
NC Department of Health and Human Services

Rick Paderick, R.Ph.

Pharmacy Director
NCTracks
CSC

Jason Swartz, R.Ph, MBA

Outpatient Pharmacy Program Manager
Division of Medical Assistance
NC Department of Health and Human Services

Lori Landman

Deputy Executive Account Director
NCTracks
CSC

Sandra Terrell, RN

Acting Director
Division of Medical Assistance
NC Department of Health and Human Services

Paul Guthery

Executive Account Director
NCTracks
CSC

Nancy Henley, MD

Chief Medical Officer
Division of Medical Assistance
NC Department of Health and Human Services
